

**GOVERNMENT OF INDIA
FINANCE
LOK SABHA**

UNSTARRED QUESTION NO:3817

ANSWERED ON:24.03.2017

Assessment of Indian Economy

Chandumajra Shri Prem Singh

Will the Minister of FINANCE be pleased to state:

- a) whether the Government is aware of assessment made by Moody with regard to impaired loans of banks;
- b) if so, the details thereof and amount of such loans assessed in the country during the year 2016-17;
- c) whether the Government has expressed its concern about the assessment of Indian economy by the said rating agency during the year 2016-17; and
- d) if so, the details thereof?

Answer

THE MINISTER OF STATE IN THE MINISTRY OF FINANCE

(a) to (d): All the Sovereign Credit Rating agencies have their own set of assessment criteria for assigning the weights to different parameters and arriving at the final Sovereign Rating.

The Gross Non-Performing Assets (NPAs) Ratio steadily declined from 15.7 per cent in 1996-97 to 2.36 percent in 2010-11. However, as a consequence of global slowdown and other factors, asset quality of the Indian banking system has come under stress in the last couple of years. As on March 2016, the Gross NPA ratio was 7.78 per cent. As on June 2016, the Gross NPAs Ratio was increased to 8.56 per cent and the ratio of restructured standard assets to gross advances was 3.39 per cent (6.34 in June 2015). Stressed assets (Gross NPA Ratio + Restructured standard assets to gross advances ratio) increased marginally from 11.31 per cent in June 2015 to 11.95 per cent in June 2016.

The details of Gross Advances, Gross Non-Performing Assets (GNPA) and GNPA ratio for Public Sector Banks (PSBs) as on Dec-2016 as given below.

DATA FOR GROSS ADVANCES, GROSS NPA AND GNPA RATIO OF PUBLIC SECTOR BANKS (PSBs) AS ON 31.12.2016 (Rs. In Crore)

Gross Advances Gross NPAs Gross NPA Ratio (%)

PUBLIC SECTOR BANKS (PSBs) 49,61,642 6,06,911 12.23

Source: RBI, December- 2016 (Provisional Data)
